

# THE TENNESSEAN

## Vanderbilt University Medical Center plans \$200 million campus in Franklin

**\$200M project to consolidate, expand outpatient services**

By Kevin Walters and Naomi Snyder • THE TENNESSEAN • October 7, 2010

After a dozen years in Williamson County, Vanderbilt University Medical Center wants to put down permanent roots by creating what eventually could be a \$200 million campus that consolidates and expands its outpatient services.

It's an idea that's gestated for years among Vanderbilt officials wanting to corral some of the 500 employees in 16 separate Vanderbilt operations in Williamson County to better cater to suburban customers and meet the growing demand for outpatient procedures.

"Most people in Williamson County would prefer to get their specialty care in Williamson County," said Dr. Wright Pinson, deputy vice chancellor for health affairs who has led the project. "They don't want to come to Nashville for that."

The medical campus, on 22 acres at McEwen Drive and Carothers Parkway just south of Nissan's headquarters, would be a built-from-scratch version of Nashville's 100 Oaks campus that Vanderbilt opened in 2008 in a redeveloped mall.

Pinson said he looked at as many as 15 locations before settling on the land purchased last week for \$5.1 million from Norma Pickering Marbut of Molina, Fla.

Pinson said planners will spend at least a year working out the campus' specifics, followed by two years of construction on the initial \$60 million, 200,000-square-foot phase, expected to be finished by 2014.

Future phases could expand the operation to as much as 500,000 square feet. VUMC occupies 440,000 square feet at its 100 Oaks location.

Several hundred more acres remain available for development nearby, said Rob Gage, senior vice president and office broker for Cassidy Turley in Brentwood.

Gage said at \$5 per square foot, the university appeared to be getting a price substantially less than the \$10 to \$15 per square foot such land would have commanded at the height of the real estate boom in 2006 or 2007.

"This looks like the market correcting itself," he said. "But the seller probably valued the certainty that Vanderbilt could get to the closing table. Vanderbilt could get it done."



Dr. Wright Pinson: "We are trying to improve our outpatient clinical services. We are not trying to threaten the local hospital."



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Vanderbilt University's new medical campus, on 22 acres at McEwen Drive and Carothers Parkway just south of Nissan's headquarters, would be a built-from-scratch version of Nashville's 100 Oaks campus that Vanderbilt opened in 2008 in a redeveloped mall. Pictured is the food court at the Vanderbilt Health One Hundred Oaks. (JAE S. LEE / THE TENNESSEAN)

## **Opposition not apparent**

VUMC will require a certificate of need from the state for this project.

Williamson Medical Center and Maury Regional Medical Center fought the certificate of need for HCA TriStar Health System when it tried to locate a hospital in Spring Hill, and Vanderbilt has joined the county hospitals in their opposition to an emergency room operation there. The state Health Services Development Agency has scheduled a Nov. 17 vote on the emergency room request.

Pinson emphasized that the outpatient campus was not a hospital with beds but will be strictly used for outpatient care, which he said has grown by 10 percent annually.

"There's going to be a natural nervousness about 'What is the big 800-pound gorilla up in Nashville doing down there?' " Pinson said. "We are trying to improve our outpatient clinical services. We are not trying to threaten the local hospital."

Williamson Medical Center officials on Wednesday morning offered their support.

"I think the location that they chose is really going to be convenient for those who need continued care," said Mandy Rogers, Williamson Medical spokeswoman.

Officials at Maury Regional Medical Center and TriStar also said the VUMC project was not a concern.

"HCA's TriStar Health System is committed to moving forward with plans to meet the growing health-care needs of the Spring Hill community," said Tim Scarvey, vice president of business development for TriStar Health System.

## **Campus may be catalyst**

Fred Kane, another broker with Cassidy Turley, said Vanderbilt wants outside satellite campuses to attract doctors, who can make more money building a client base in offices away from the Nashville hospital.

"This is a way for them to compete for top (medical) talent," he said.

After Vanderbilt opened its 100 Oaks outpatient campus in a mall that had seen better days, the area quickly turned into a hub of activity for patients and employees, attracting restaurants and retail businesses as a result.

"It upgraded the whole area," said Wood Caldwell, a principal in Southeast Venture, a developer with a location nearby. "Once they bring in health services, they bring in quality development and it creates a synergy for development around them."

Pinnacle Bank bought two parcels near Thompson Lane and Bransford Avenue for about \$70 per square foot in the summer of 2009, after the Vanderbilt medical campus moved nearby — twice as much as Caldwell estimated anyone would have paid before Vanderbilt's arrival.

The impact on property values might not be as dramatic in Cool Springs, where there's no dilapidated mall to revive, he said.

But the project is inside the 859-acre McEwen Development District. Property taxes from the VUMC campus and from any development it sparks will help Franklin pay down a \$15 million bond debt on the 50-acre site that the city Industrial Development Board bought in 2005 for the Nissan headquarters.

"I think it says a lot about Tennessee and Middle Tennessee and Franklin in particular, but I think it also puts a positive stamp on the economy as a whole," Franklin Mayor John Schroer said.

Earlier this year, Jackson National Life Insurance Co. announced it will open its regional headquarters at One Greenway Centre in Cool Springs, bringing 750 jobs, while a \$13 million five-story building will house an Internal Revenue Service call center next year. Six hundred to 700 workers would be at the IRS call center.